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NCHSR

RESEARCH MANAGEMENT SERIES

COMPLETED

NCHSR
Research
Priorities

ORIGINAL

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Public Health Service
Office of the Assistant Secretary for Health
National Center for Health Services Research

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Introduction

This program statement of the National Center for Health Services Research (NCHSR) describes five areas of research that will be emphasized during this fiscal year. The areas that will receive particular attention are as follows: health care costs and cost containment; health insurance; planning and regulation of the health sector; technology and computer science applications in the organization and delivery of health services; and health manpower.

As part of the Office of the Assistant Secretary for Health, NCHSR undertakes and supports research, demonstrations, and evaluations that address the problems associated with the delivery of health services in this country. The formation of NCHSR was the result of a growing recognition that the efficiency of the health care sector and the effectiveness of health services might be measurably improved by having better information about the production, financing, organization, and delivery of health services, and related provider and consumer behavior.

NCHSR has two principal responsibilities. The first responsibility is to develop information that might be used by various decisionmakers in the public and private sectors. The second is to insure that the information that results from the research, evaluation, and demonstration activities of NCHSR is disseminated rapidly and in a form that is usable.

Considerable effort is expended by NCHSR in identifying issues that cannot be resolved effectively without new information. Because NCHSR is a primary sponsor of general research on issues related to the delivery of health services and because there are few alternative sources of support for this type of research, decisions on what studies to undertake are especially important. Before making these decisions NCHSR consults widely by means of conferences and informal discussions to determine what issues are of paramount importance to decisionmakers in the Department of Health, Education, and Welfare and the Congress and in the provider and consumer communities. The research program of NCHSR reflects generally what these various groups believe are the most pressing issues.

It is critical to note, however, that the resulting research priorities do not exhaust the research interests of NCHSR. Innovative and feasible proposals on issues dealing with health care provider and consumer behavior and new approaches to producing, financing, organizing, and delivering health services receive consideration for funding. This document, however, highlights those areas of research, demonstration, and evaluation that will be given priority for funding by NCHSR.

During this fiscal year, NCHSR will give funding priority to research projects that deal with the following issues:

Health Care Costs and Cost Containment	- analysis of the factors underlying the increase in health care costs and the structural reforms and incentives which might modify these costs.
Health Insurance	- analysis of the socio-demographic, economic and administrative implications of various health insurance initiatives.
Planning and Regulation	- development of techniques to make cost-effective investment and production decisions in the health sector and the analysis of market and regulation based strategies for shaping such decisions.
Technology and Computer Science Applications	- analysis of technology based approaches to modify the organization and delivery of health care services with particular emphasis qn the uses of computer science and medical information systems.
Health Manpower	- analysis of the economic and behavioral aspects of health manpower education requirements, distribution, utilization, and development.

NCHSR will support both short-term and long-term research in these five areas. Special research solicitations will be issued from time to time when it is determined that even more focused research is essential. The following discussion provides some elaboration of the five areas that are to be given funding priority during this fiscal year. Researchable questions that are listed are only illustrative.

Since cost containment involves making deliberate choices between competing uses of scarce resources, this issue includes most of the major problems of the current health care system. However, the research focus of NCHSR is on the development and implementation of structural reforms of the system and the provision of incentives for more cost-effective utilization of health care resources. In order to assist in the attainment of this long-run objective, NCHSR is interested in supporting research projects which address the following issues:

- *Comparative analysis of the effect of various alternatives to inpatient care* on the cost of health services, on total health expenditure, and on the quality and outcome of care. These analyses would examine alternatives such as health maintenance organizations (HMOs), free-standing ambulatory care centers, home health care, self-care, and adult day care.
- *Identification and evaluation of the use, cost-effectiveness, and appropriateness of services available in nursing homes and viable long-term care alternatives* for various categories of patients and problems, with emphasis on the chronically ill and the deinstitutionalized, mentally disabled.
- *Comparative analysis of the success and failure of market- and regulatory-oriented cost containment strategies in other countries.* Such international assessment may be complemented by studies which examine specific experiences in this country, including analysis of innovative cost-saving programs at the corporate level.
- *Analysis of the organization, delivery, and impact of health promotion and prevention programs.* Such analysis should examine the public and private means to affect change in lifestyle (dietary practices, stress management, smoking cessation) and the use of preventive health services.
- Empirical analysis of the *determinants of hospital output and costs,* including identification and explanation of variations in the level and mix of clinical inputs provided on a diagnostic-specific basis.
- Theoretical and empirical evaluation of the *interaction of various institutional and physician cost containment strategies,* including identification of perverse incentives and provider responses to such strategies.
- Study of the relative *cost-effectiveness and efficacy of drug prescription practices and utilization.*

Health Insurance

4 NCHSR is involved in helping to build the analytical foundation for national health insurance. As a means of better understanding the implications of national health insurance, NCHSR will give priority to studies which address the following:

- Empirical assessment of the *performance of HMOs compared to fee-for-service practice in the treatment of high cost illness.* Such studies might examine differences in outcomes and costs, and incentives and behavior.
- *Comparative economic analysis of high cost illness episodes with lower cost episodes.* Research should be designed to determine whether high cost treatments reflect a "unique" production process or whether they involve simply a greater quantity of services.
- Evaluation of the impact of recent United Mine Workers health benefits and financing package on the provision and utilization of health care services by beneficiaries. These studies should focus on the *supply, demand, and outcome effects associated with the imposition of cost sharing.*
- Analysis of the *structure and economics of the private health insurance industry.* These studies should examine the competitiveness, risk assignment methods, handling of high risk insurance, determination of premium levels, and the role of regulation with respect to industry performance; and, analysis of alternative means of using the commercial insurance industry in connection with national health insurance.

Planning and regulation

As evidenced by its solicitation in 1978 entitled "Grants for Cost Containment Research for Health Planning," NCHSR is acutely aware of the concerns and problems of State and local entities on the front line of health planning. In order to provide a more comprehensive view of the concepts and methods which are crucial for cost-effective decisionmaking and to highlight the diverse impacts of both market- and regulatory-oriented strategies in the health care system, NCHSR encourages studies which deal with the following issues:

- Development of *methods to help assess and forecast health expenditure* at the institutional, State, local, and regional levels, and to estimate the influence of resource and budgetary constraints on various programs, services, costs, and communities.
- Generation of *better techniques for projecting the demand for services, for establishing appropriate standards of cost of services, and for reviewing projects and allocating resources.*
- Analysis of the nature and relative magnitude of *cost savings* in institutional care that can result from more *cost-effective facility design and construction.*
- Examination of the factors and *incentives* which lead to *cost-effective consolidation, mergers, and sharing of institutional services.*
- *Analysis of both the positive and negative consequences of regulations.* This should include analysis of the impact of strategies such as certificate-of-need, mandatory limits on the growth of capital and operating budgets, utilization review, and negotiated reimbursement rates on health care costs, allocation of services, equity of access, and quality of care.
- Examination of the *dynamics of reviewing, negotiating, and reacting to change in the health care system.* This research should include evaluation of the political, administrative, institutional, and behavioral responses, and the local or regional consequences associated with planning and regulation initiatives such as facility closure or conversion, and mandatory reduction of various services.
- Development and evaluation of *decision rules for allocating health care resources at various jurisdictional levels and between various programs.*

Technology and computer science applications

6 NCHSR is committed to the support of research that examines new technologies directly relevant to the organization and delivery of health care services. This research might entail the design, demonstration, and evaluation of such technologies. NCHSR will work closely with the new National Center for Health Care Technology to minimize duplication of effort. In addition to its interest in selected technology issues, NCHSR will continue to conduct and support research with respect to the uses of computer science in health services delivery and medical information systems. Studies which deal with the following issues are of particular interest:

- ***Analysis of the explicit benefits that can be realized from use of various computerized information handling systems*** in both ambulatory and inpatient settings.
- Assessment of the accumulated ***experience in the implementation of computerized medical information systems,*** with respect to the social, political, organizational, and economic consequences of computerization.
- ***The use of data systems that support effective medical decisionmaking*** by means of clinical data banks, statistical models, consultation programs, and other computer-based approaches.

Health manpower

The Public Health Service is currently engaged in a reevaluation of its health manpower policies. Research is needed that explores the factors and incentives which can lead to more efficient and equitable use and distribution of health manpower. Consequently, NCHSR is especially interested in research studies which deal with the following issues:

- Analytical development of *techniques and models to forecast health manpower* needs by categories of manpower at the regional, State and local level.
- Identification of *incentives and regulatory techniques* that could be employed to *control the number and distribution of various categories of health manpower.*
- Evaluation of *alternative financing and reimbursement options for graduate medical education* and implications for specialty and geographic distribution.
- Empirical analysis of the *optimal mix of physician and non-physician health care providers,* including issues of manpower substitutability and task delegation.

Administrative and other information

8 Any academic institution, agency of State or local government, or non-profit organization or individual is eligible to submit a grant research application to the National Center for Health Services Research.

Prospective applicants may obtain *application materials and other administrative information from:*

Chief, Grants Review Branch
National Center for Health Services Research
Room 7-50A, Center Building
3700 East-West Highway
Hyattsville, Maryland 20782
(301) 436-6920

In the case of a grant application requesting $35,000 or less in direct costs for the entire project, the applicant must complete Form NIH-398, Grant Application, and submit an original plus 20 copies to the Grants Review Branch at the address given above.

In the case of a grant application requesting in excess of $35,000 in direct costs, the applicant must complete Form NIH-398, Grant Application, and submit an original plus 6 copies to:

National Institutes of Health
Division of Research Grants
Bethesda, Maryland 20014

Applicants from State and local governments are required to submit only an original and 2 copies of Form PHS-5161-1 irrespective of the amount of the requested budget for the proposed project.

Form NIH-398 must be completed in accordance with the General Instructions and Information, and Section 67.13 of the NCHSR Regulations, 42 USC Part 67; both documents are included in the application kit.

Requests for information and clarification concerning research issues and questions outlined in *NCHSR Research Priorities* may be addressed to appropriate staff who are located in general program areas within the Division of Extramural Research:

Ambulatory Care/Rural Health	(301) 436-8913
Financing	(301) 436-8944
Institutional Care/Emergency Medical Services/Long Term Care	(301) 436-8936
Manpower	(301) 436-8930
Medical Information Systems	(301) 436-8920
Methods/Evaluation	(301) 436-8904
Organization and Management	(301) 436-6643
Technology for Health Services Delivery	(301) 436-6923